P-A2017 Holding 1 A/S

Søndre Ringvej 49A, DK-2605 Brøndby

Annual Report for 1 January - 31 December 2020

CVR No 39 02 35 71

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 13/7 2021

Henrik Bonnerup
Chairman of the General Meeting

Contents

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of P-A2017 Holding 1 A/S for the financial year 1 January - 31 December 2020.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2020 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2020.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Brøndby, 13 July 2021

Executive Board

Henrik Bonnerup
Executive Officer

Board of Directors

Karsten Poulsen Chairman	Henrik Bonnerup	Jesper Teddy Lok

Independent Auditor's Report

To the Shareholders of P-A2017 Holding 1 A/S

Opinion
In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2020 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of P-A2017 Holding 1 A/S for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review
Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Independent Auditor's Report

Management's responsibilities for the Financial Statements
Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 13 July 2021
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Bo Schou-Jacobsen
statsautoriseret revisor
mne28703

Leif Ulbæk Jensen
statsautoriseret revisor
mne23327

Company Information

The Company	P-A2017 Holding 1 A/S Søndre Ringvej 49A DK-2605 Brøndby CVR No: 39 02 35 71 Financial period: 1 January - 31 December Municipality of reg. office: Brøndby
Board of Directors	Karsten Poulsen, Chairman Henrik Bonnerup Jesper Teddy Lok
Executive Board	Henrik Bonnerup
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

Seen over a three-year period, the development of the Group is described by the following financial highlights:

	Group		
	2020	2019	2018
	TDKK	TDKK	TDKK
Key figures			
Profit/loss			
Revenue	707.401	688.958	1.227.073
EBITDA	8.964	-10.829	-23.637
Net financials	-7.807	-4.792	-8.687
Profit/loss from discontinuing activities	14.744	-46.769	0
Net profit/loss for the year	-17.847	-88.987	-83.763
Balance sheet			
Balance sheet total	432.925	415.207	556.640
Equity	-87.242	-67.105	23.553
Cash flows			
Cash flows from:			
investment in property, plant and equipment	-1.608	-1.972	-1.545
Number of employees	1.726	2.003	2.114
Ratios			
Profit margin	-3,4%	-5,4%	-6,1%
Return on assets	-5,5%	-9,0%	-13,5%
Solvency ratio	-20,2%	-16,2%	4,2%
Return on equity	23,1%	408,6%	-211,3%

Comparative figures in the income statement for 2019 has been adjusted in respect of discontinued activities in 2020.

Comparative figures in 2019 and 2018 have not been adjusted in the balance sheet in respect of discontinued activities in 2020.

Management's Review

Main activity of the Group

Main activities in the company consist of cleaning, canteen, window polishing and facility managementservices in Denmark and Norway.

Development in the year

The focus for 2020 was set to be on continuing the work towards establishing a sustainable platform for future growth, however in late March it was replaced by uncertainty caused by the COVID-19 pandemic. Focus turned towards meeting the changed customer requirements in the COVID-19 pandemic setting and managing the business in the best possible manner in the very uncertain and unusual circumstances.

The direct business impact was adjustment to the volume or temporary close of the APPETIZE+ staff restaurants, while the ALLIANCE+ cleaning was affected by the increase in need for additional sanitization, which more than offset the drop in demand caused by more people working from home.

During the initial three months of the COVID-19 pandemic, ALLIANCE+ to a limited extent availed of the government salary compensation support packages, while the postponed tax and VAT payments were availed of throughout the year.

Customer retention was successfully maintained and along with new sales, revenue increased. APPETIZE+, our staff restaurants, grew in number, but due to reduced demand in the individual restaurants overall volume remained on par with 2019.

ALLIANCE+ continued attracting and retaining dedicated employees by offering good job opportunities with proper work and employment conditions. The annual Employee Engagement Survey was conducted in November. It showed positive progress both in terms of participation rate and Engagement Score, leaving the overall score at a very high level. The continued focus on process optimization and use of systems led to some organizational adjustments and reduction in costs.

The low margin nature of the business demand constant focus on costs. Salary costs comprise by far most of the cost, thus imperative to have ongoing control and optimization of hours. The utilization of a workforce planning system is now the foundation of this, but further focus is required to deliver further improvements.

We maintained all our certifications in 2020 on Nordic Eco-label and Servicenormen. Several important environmental initiatives continued or began including reduction of chemicals and focus on food waste.

Overall and despite the COVID-19 pandemic impact, the Group continued to develop positively in 2020, however with further need of focus and improvements to obtain a satisfying margin.

The beginning of 2021 continued to show positive signs, but developments are delayed by the COVID-19 pandemic. It has temporarily affected the turnover of APPETIZE+ and the limited presence in the hotel segment. The startup of two large public contracts in late 2020 caused some challenges. One of them has been addressed in early in 2021, while the efforts are ongoing for the second one.

Focus for the remainder of 2021 is on developing the business further and adapting to new normal that follows COVID-19, hereunder close dialogue with customers to ensure that their adjusted demands are met.

It has been decided to divest the Swedish part of the business. Therefore, a sales process has been initiated to find a buyer who can develop the Swedish business to its full potential. As such, the Swedish business is presented in the Financial Statements as Discontinuing activities. The comparative figures in the income statement have been adjusted accordingly.

Income statement

Excluding discontinuing activities of Allianceplus AB, revenue in 2020 of the Group amounted to DKK 707 million (DKK 689 million in 2019), an increase of 2.7%. In Denmark, revenue increased by 7.1% as a result of a strong activity level across the business, with a solid addition of new material customers and contracts. The Norwegian revenue decreased by 2.5% in a steady market.

Operating profit/loss before financials for the Group reached negative DKK 24 million (negative DKK 37 million in 2019). The positive development in Operating profit/loss is due to underlying growth in the business and ongoing focus on cost efficiency. Despite the improvements during the year, the result is still negative, as the operating profit/loss is also impacted by goodwill amortizations of DKK 30 million (DKK 34 in 2019).

In Denmark, the operating profit improved to negative DKK 11 million (negative DKK 20 million in 2019) due to underlying growth in the business. In Norway, the operating profit was DKK 2.6 million (DKK 0.5 million in 2019).

Net financials reached negative DKK 8 million (DKK 5 million in 2019). The negative development is mainly caused by foreign exchange rate developments.

Net profit for the year was negative DKK 18 million (negative DKK 89 million in 2019). Net profit is impacted by a number of non-recurring items, cf. note 6 in the Financial Statements.

Net profit from discontinuing activities (Allianceplus AB) was positive DKK 15 million (negative DKK 47 million in 2019). In 2020, the profit from discontinuing activities was positively impacted by the restructuring of Allianceplus AB where agreements with the subsidiary's creditors resulted in a gain of DKK 32 million (DKK 42 million in 2019). In 2019, the loss from discontinuing activities was negatively affected by impairment loss on goodwill of DKK 76 million.

The Group continues to deliver negative and unsatisfactory results, but Management expects that the healthy addition of new customers and contracts together with ongoing initiatives to improve efficiency will lead to an improved result in 2021.

Management's Review

Balance sheet

Total assets amount to DKK 433 million (DKK 415 million in 2019).

Cash flow

Free Cash Flow amounted to DKK 54 million in 2020 (negative DKK 39 million in 2019).

Financing

Net Interest Bearing Debt (NIBD) amounted to DKK 257 million (DKK 263 million in 2019), where as DKK 37 million is included in liabilities relating to discontinued activities.

Capital resources and subsequent events

Equity amounts to negative DKK 87 million (negative DKK 67 million in 2019) following the negative result of the year. Refer to note 1 in the Financial Statements for additional description.

Uncertainty in recognition and measurement

The accounting estimates and judgements, which may entail a risk of material adjustments in subsequent years, are described in note 2.

Risk management

The Group has established a formal group reporting process, which comprises monthly reporting including budget follow-up, performance assessment and assessment of whether established targets have been met. Based on the reporting, monthly meetings of the Board of Directors are held at which the reporting submitted is reviewed. Moreover, key persons from the Company participate in the board meetings to describe and account for risks and controls in their area of responsibility.

The Group's risk management, including internal control in connection with the financial reporting process, is designed with a purpose of effectively minimizing the risk of misstatements and omissions. Management assesses on a regular basis whether the Group has adequate access to capital, and the Board of Directors assesses continuously whether the Group's capital structure is in accordance with the interests of the Group and the shareholders. The overall objective is to secure a capital structure supporting a long-term profitable growth.

There have been no changes to administration, processes, and guidelines for controlling the capital structure in 2020.

Knowledge resources

At the end of 2020, the Group had 1,726 full-time employees. The Group focuses on retaining the best qualified and most motivated employees. Focus on retention and low employee turnover is important as qualified employees who know the Group's routines, systems, materials and machines are a precondition for the Group continuing its positive development.

Management's Review

Statement of corporate social responsibility

The Group has an impact on the surrounding world for which we want to take responsibility. As a facility management provider, we have the opportunity of contributing to a positive development for both the environment, employees and society. This has been formulated in our CSR policy. For our statement on Corporate Social Responsibility, please read our 2020 CSR report:

https://www.allianceplus.dk/media/1598/allianceplus-csr-report-2020-web.pdf

Statement on gender composition

For our statement on gender composition according to the Danish Financial Statements Act 99b, please read our CSR report:
https://www.allianceplus.dk/media/1598/allianceplus-csr-report-2020-web.pdf

Corporate governance

The basis for planning management duties comprises e.g. the Danish Companies Act, the Danish Financial Statements Act, the Articles of Association of the Company and generally accepted practice for Groups of the equivalent size and with the same activities. Moreover, being a portfolio company of Polaris Private Equity, the Company and the Group follows the guidelines on the preparation of annual reports issued by DVCA (Danish Venture Capital and Private Equity Association).

The Company and the Group is ultimately equally owned by Polaris Private Equity and KIRK Kapital A/S. Sub-committees are not used for the work of the Board of Directors. The reason for this is the Company and the Group's size and complexity as well as the level of experience of the Board of Directors. This means that in connection with the financial reporting process, the entire Board of Directors focuses especially on the accounting policies in key areas and significant accounting estimates, any transactions with related parties as well as any uncertainty and risks. The quality of the Company and the Group's internal control systems is currently considered together with the auditors ensuring also the auditors' independence.

Income Statement 1 January - 31 December

	Note	Koncern 2020	Koncern 2019	Moderselskab 2020	Moderselskab 2019
		TDKK	TDKK	TDKK	TDKK
Revenue	3	**707.401**	**688.958**	**0**	**0**
Other operating income		5.891	87	0	0
Cost of sales		-78.175	-74.097	0	0
Other external expenses		-46.953	-41.708	-344	-466
Gross profit/loss		**588.164**	**573.240**	**-344**	**-466**
Staff expenses	4	-579.200	-570.728	0	0
Earnings before depreciation (EBITDA)		**8.964**	**2.512**	**-344**	**-466**
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	5	-32.849	-39.873	0	0
Profit/loss before financial income and expenses	6	**-23.885**	**-37.361**	**-344**	**-466**
Income from investments in subsidiaries		0	0	0	-22.545
Financial income	7	9.458	843	6	0
Financial expenses	8	-17.265	-5.635	-41	0
Profit/loss before tax		**-31.692**	**-42.153**	**-379**	**-23.011**
Tax on profit/loss for the year	9	-899	-65	0	-13
Profit/loss from continuing activities		**-32.591**	**-42.218**	**-379**	**-23.024**
Profit/loss from discontinuing activities	10	14.744	-46.769	0	0
Net profit/loss for the year		**-17.847**	**-88.987**	**-379**	**-23.024**

Balance Sheet 31 December

Assets

		Koncern		Moderselskab	
	Note	2020	2019	2020	2019
		TDKK	TDKK	TDKK	TDKK
Completed development projects		12.264	11.745	0	0
Acquired other similar rights		146	947	0	0
Goodwill		203.521	231.644	0	0
Development projects in progress		0	834	0	0
Intangible assets	11	**215.931**	**245.170**	**0**	**0**
Plant and machinery		8.534	9.659	0	0
Property, plant and equipment	12	**8.534**	**9.659**	**0**	**0**
Investments in subsidiaries	13	0	0	0	0
Other receivables	14	451	1.853	0	0
Fixed asset investments		**451**	**1.853**	**0**	**0**
Fixed assets		**224.916**	**256.682**	**0**	**0**
Raw materials and consumables		108	0	0	0
Finished goods and goods for resale		1.557	2.103	0	0
Inventories		**1.665**	**2.103**	**0**	**0**
Trade receivables		98.628	127.010	0	0
Receivables from group enterprises		0	0	265	258
Other receivables		1.654	6.486	0	0
Deferred tax asset	17	9.439	9.597	0	0
Prepayments	15	5.009	6.629	0	0
Receivables		**114.730**	**149.722**	**265**	**258**
Cash at bank and in hand		**2.627**	**6.700**	**85**	**262**
Assets relating to discontinued activities	10	**88.987**	**0**	**0**	**0**
Currents assets		**208.009**	**158.525**	**350**	**520**
Assets		**432.925**	**415.207**	**350**	**520**

Balance Sheet 31 December

Liabilities and equity

	Note	Koncern 2020 TDKK	Koncern 2019 TDKK	Moderselskab 2020 TDKK	Moderselskab 2019 TDKK
Share capital		1.500	1.500	1.500	1.500
Retained earnings		-88.742	-68.605	-3.021	-2.642
Equity		**-87.242**	**-67.105**	**-1.521**	**-1.142**
Credit institutions		220.744	269.789	0	0
Other payables		13.888	13.433	0	0
Long-term debt	18	**234.632**	**283.222**	**0**	**0**
Lease obligations		2.671	4.077	0	0
Trade payables		20.678	34.218	86	86
Payables to group enterprises		1.346	1.137	1.760	1.552
Corporation tax		1.167	610	24	24
Other payables	18	152.808	159.048	1	0
Short-term debt		**285.535**	**199.090**	**1.871**	**1.662**
Liabilities relating to discontinued activities		**106.865**	**0**	**0**	**0**
	10				
Debt		**520.167**	**482.312**	**1.871**	**1.662**
Liabilities and equity		**432.925**	**415.207**	**350**	**520**

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Statement of Changes in Equity

Group

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January	1.500	-68.605	-67.105
Exchange adjustments	0	-2.290	-2.290
Net profit/loss for the year	0	-17.847	-17.847
Equity at 31 December	**1.500**	**-88.742**	**-87.242**

Parent

	Share capital	Retained earnings	Total
Equity at 1 January	1.500	-2.642	-1.142
Net profit/loss for the year	0	-379	-379
Equity at 31 December	**1.500**	**-3.021**	**-1.521**

Cash Flow Statement 1 January - 31 December

	Note	Koncern 2020	Koncern 2019
		TDKK	TDKK
Net profit/loss for the year		-32.591	-88.987
Adjustments	19	38.303	122.938
Change in working capital	20	41.502	-51.353
Cash flows from operating activities before financial income and expenses		**47.214**	**-17.402**
Financial income		10.272	878
Financial expenses		-18.032	-6.435
Cash flows from ordinary activities		**39.454**	**-22.959**
Corporation tax paid		160	-2.953
Cash flows from operating activities, discontinued activities	21	30.353	0
Cash flows from operating activities		**69.967**	**-25.912**
Purchase of intangible assets		-4.909	-4.964
Purchase of property, plant and equipment		-1.608	-1.972
Fixed asset investments made etc		0	-1.282
Sale of property, plant and equipment		0	312
Cash flows from investing activities		**-6.517**	**-7.906**
Repayment of loans from credit institutions		0	-4.970
Repayment of payables to group enterprises		5.042	-234
Repayment of loans from credit institutions, discontinued activities		-14.600	0
Cash flows from financing activities		**-9.558**	**-5.204**
Change in cash and cash equivalents		**53.892**	**-39.022**
Cash and cash equivalents at 1 January		6.700	45.722
Cash and cash equivalents at 31 December 2020 included in discontinuing activities		-57.965	0
Cash and cash equivalents at 31 December		**2.627**	**6.700**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		2.627	6.700
Cash and cash equivalents at 31 December		**2.627**	**6.700**

Notes to the Financial Statements

1 Capital resources and subsequent events

The Company's equity is lost. It is Management's assessment that equity will be restored in the future by capital contributions, earnings or a combination thereof.

The Group's and the Company’s capital resources are dependent on the development of the other group companies, and the total credit facilities established with the Group’s bank.

The Group’s credit facility ceases by the end of 2022. The loan covenants have not been fulfilled in 2021, why Management is in negotiations with the Group’s bank regarding a new credit facility and terms for the Group, including until the end of 2022. The negotiations are not finalized at the time of approval of the Annual Report. It is Management’s expectation that a new credit facility will be entered into, which will secure and strengthen the capital resources of the Group and the Company.

The Group’s bank has confirmed that the existing credit facilities will be maintained until a new facility is agreed, hereunder accepting that the Group does not meet the loan covenants for the time being until 31 December 2021. The Group’s bank has previously shown willingness to make temporary limited extensions of the credit facility, if necessary. It is Management’s assessment that the Group’s bank also in the future will show similar willingness. Management therefore submits the Annual Report on the assumption of going concern.

Above from the above, no events have occurred after the balance sheet date which could significantly affect the Group’s and the Company's financial position.

2 Uncertainty in recognition and measurement

In connection with the preparation of the Financial Statements, Management perform estimates and judgements, which may entail a risk of material adjustments. In particular in the determination of the carrying amount of intangible assets and deferred tax assets, estimates are required. In case of any indication of impairment, an impairment test is performed. The impairment test is based on an assessment how the parts ofthe Group businesses to which the assets relates will be able to generate sufficient cash flows in the future to support the value of goodwill and other assets in the relevant Cash Generating Units of the Group, defined as each subsidiary. Expected cash flows and net results are estimated over a number of years, which inherently produces some degree of uncertainty regarding expected market development and development in macroecomic variables e.g. the interest rate and currency fluctuations. A sensitivity analysis on the key assumptions in the impairment test is performed in order to reduce the uncertainty. Due to the development ofthe Group's financial figures, indications of impairment exist, thus an impairment test has been performed. The impairment test performed as of 31 December 2020 shows that the estimated market value of the equity for the Cash Generating Units exceeds the carrying amount of the equity as of 31 December 2020. The future estimated taxable results exceed the booked value of deferred tax assets.

The blended discount rate (WACC) applied in the impairment test of goodwill and other assets is 8% - 10%.

If the assumptions for the impairmentest not is met and realized as expected - or better as expected - this will affect the expected cash flow, and consequently, the value of the assets.

Notes to the Financial Statements

	Koncern		Moderselskab	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK
3 Revenue				
Geographical segments				
Revenue, Denmark	550.668	509.223	0	0
Revenue, exports	156.733	179.735	0	0
	707.401	**688.958**	**0**	**0**
Business segments				
Cleaning	638.901	645.130	0	0
Catering	68.500	43.828	0	0
	707.401	**688.958**	**0**	**0**
4 Staff expenses				
Wages and salaries	481.174	370.245	0	0
Pensions	40.391	22.299	0	0
Other social security expenses	51.964	12.118	0	0
Other staff expenses	5.671	166.066	0	0
	579.200	**570.728**	**0**	**0**
Including remuneration to the Executive Board and Board of Directors of:				
Executive Board	8.322	4.612	0	0
Supervisory Board	1.125	1.877	0	0
	9.447	**6.489**	**0**	**0**
Average number of employees	**1.726**	**2.003**	**0**	**0**

Notes to the Financial Statements

	Koncern		Moderselskab	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK
5 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment				
Amortisation of intangible assets	30.116	33.577	0	0
Depreciation of property, plant and equipment	2.733	6.296	0	0
	32.849	**39.873**	**0**	**0**

6 Special items

Special items comprise costs, which is special due to their size or nature e.g redundancy costs, stranded costs due to re-organisations and impairment losses

Group
2020
The profit/loss for the year has been positively affected by the following one-off:
Covid-19 compensation recognised as "other operating income" amounts to TDKK 5.607 and comprise compensation for salaries. Due to restructuring of Allianceplus AB a gain of TDKK 32.016. The amount has been recognised in the line item "Profit/loss from discontinuing activities".

2019
The profit/loss for the year has been negatively affected by one-off costs totalling TDKK 33.569 comprising impairment of goodwill of TDKK 75.876 included in line item "Depreciation, amortisation and impairment of intangible assets and property, plant and equipment" and gain from the reconstruction of Allianceplus AB TDKK 42.394 included in the line item "Profit/loss from discontinuing activities".

Parent
2020
The profit/loss for the year has been negatively affected by one-off totalling TDKK 3.614 comprising impairment regarding Allianceplus AB, ref. note 10, TDKK 34.009 (costs) and the described one-off income for the group totalling TDKK 37.623 (income). The amount has been recognised in the line item "Income from investments in subsidiaries".

Notes to the Financial Statements

		Koncern		Moderselskab	
		2020	2019	2020	2019
		TDKK	TDKK	TDKK	TDKK
7	**Financial income**				
	Interest received from group enterprises	0	0	6	0
	Other financial income	6.200	843	0	0
	Exchange adjustments	3.258	0	0	0
		9.458	**843**	**6**	**0**
8	**Financial expenses**				
	Interest paid to group enterprises	0	0	41	0
	Other financial expenses	17.265	5.635	0	0
		17.265	**5.635**	**41**	**0**
9	**Tax on profit/loss for the year**				
	Current tax for the year	899	504	0	0
	Deferred tax for the year	0	-439	0	13
		899	**65**	**0**	**13**

Notes to the Financial Statements

10 Discontinuing activities

In 2021, the Swedish subsidiary in Allianceplus AB is expected to be sold.

	Koncern 2020 TDKK	Koncern 2019 TDKK
Revenue	196.698	264.283
Expenses for raw materials and consumables	-21.134	-21.241
Other external expenses	-23.361	-12.886
Gross profit/loss	**152.203**	**230.156**
Staff expenses	-169.773	-243.497
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	-394	-76.938
Profit/loss before financial income and expenses	**-17.964**	**-90.279**
Financial income	33.398	44.309
Financial expenses	-690	-799
Profit/loss before tax	**14.744**	**-46.769**
Tax on profit/loss for the year	0	0
Profit/loss from discontinuing activities	**14.744**	**-46.769**
Property, plant and equipment	174	
Fixed assets	**174**	
Inventories	308	
Receivables	30.540	
Cash at bank and in hand	57.965	
Currents assets	**88.813**	
Assets relating to discontinued activities	**88.987**	
Long-term debt	36.985	
Short-term debt	69.880	
Liabilities relating to discontinued activities	**106.865**	

Notes to the Financial Statements

11 Intangible assets

Group

	Completed development projects	Acquired other similar rights	Goodwill	Development projects in progress
	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	23.599	3.193	764.342	834
Exchange adjustment	0	0	1.777	0
Additions for the year	5.223	0	0	0
Disposals for the year	-2.117	0	0	-834
Cost at 31 December	26.705	3.193	766.119	0
Impairment losses and amortisation at 1 January	11.854	2.246	532.698	0
Exchange adjustment	0	0	2.589	0
Amortisation for the year	2.587	801	27.311	0
Impairment losses and amortisation at 31 December	14.441	3.047	562.598	0
Carrying amount at 31 December	**12.264**	**146**	**203.521**	**0**

12 Property, plant and equipment

Group

	Plant and machinery
	TDKK
Cost at 1 January	69.358
Additions for the year	1.608
Cost at 31 December	70.966
Impairment losses and depreciation at 1 January	59.699
Depreciation for the year	2.733
Impairment losses and depreciation at 31 December	62.432
Carrying amount at 31 December	**8.534**

Notes to the Financial Statements

13 Investments in subsidiaries

	Moderselskab 2020 TDKK	Moderselskab 2019 TDKK
Cost at 1 January	100.060	100.060
Cost at 31 December	100.060	100.060
Value adjustments at 1 January	-100.060	-75.844
Disposals for the year	0	0
Exchange adjustment	0	0
Net profit/loss for the year	-104	-88.508
Revaluations for the year, net	0	0
Other equity movements, net	0	-1.671
Amortisation of goodwill	0	0
Adjustment to book value DKK 0	104	65.963
Value adjustments at 31 December	-100.060	-100.060
Carrying amount at 31 December	**0**	**0**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership
P-A2017 Holding 2 ApS	Denmark	100%

14 Other fixed asset investments

	Koncern Other receiv-ables TDKK
Cost at 1 January	1.853
Disposals for the year	-1.402
Cost at 31 December	451
Impairment losses at 31 December	0
Carrying amount at 31 December	**451**

Notes to the Financial Statements

15 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

16 Distribution of profit

	Moderselskab	
	2020	2019
	TDKK	TDKK
Retained earnings	-379	-23.024
	-379	**-23.024**

17 Deferred tax asset

Group
The deferred tax asset totally amount to TDKK 16.007 and primarily comprises deferred tax relating to tax deficits carried forward and differences between accounting values and taxable values of intangible and tangible assets whereof TDKK 9.439 has been recognised. Management has recognised the tax asset based on budgets and forecasts for the coming 5 years and assessed it to be probable that the deferred tax asset can be utilized within the Danish joint taxation Group.

Parent
The deferred tax asset totally amount to TDKK 139 and primarily comprises deferred tax relating to tax deficits carried forward and differences between accounting values and taxable values of intangible and tangible assets whereof TDKK 0 has been recognised. Management has recognised the tax asset based on budgets and forecasts for the coming 5 years and assessed it to be probable that the deferred tax asset can be utilized within the Danish joint taxation Group.

Notes to the Financial Statements

18 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	Koncern		Moderselskab	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK
Credit institutions				
Between 1 and 5 years	220.744	269.789	0	0
Long-term part	220.744	269.789	0	0
Within 1 year	0	0	0	0
	220.744	**269.789**	**0**	**0**
Other payables				
Between 1 and 5 years	13.888	13.433	0	0
Long-term part	13.888	13.433	0	0
Other short-term payables	152.819	159.048	-1	0
	166.707	**172.481**	**-1**	**0**

Loan agreement with credit institution is subject to loan covenant regarding investment in tangible and intangible assets.

19 Cash flow statement - adjustments

	Koncern	
	2020	2019
	TDKK	TDKK
Financial income	-9.458	-45.152
Financial expenses	17.217	6.434
Depreciation, amortisation and impairment losses, including losses and gains on sales	32.849	116.812
Exchange rate adjustments etc.	-3.204	1.104
Tax on profit/loss for the year	899	65
Changes in other provisions	0	1.282
Received debt foregiveness	0	42.393
	38.303	**122.938**

Notes to the Financial Statements

	Koncern	
	2020	2019
	TDKK	TDKK
20 Cash flow statement - change in working capital		
Change in inventories	44	152
Change in receivables	2.126	-8.526
Change in trade payables, etc	39.332	-42.979
	41.502	**-51.353**

	2020
	TDKK
21 Cash flows from operating activities before financial income and expenses, discontinuing activities	
Net profit/loss for the year, discontinuing activities	14.744
Adjustments	-30.971
Change in inventories	104
Change in receivables	7.612
Change in trade payables etc.	38.864
	30.353

Notes to the Financial Statements

22 Contingent assets, liabilities and other financial obligations

Contingent liabilities

The Group is part to a few pending lawsuits. The Group and its legal advisors consider the claims unjustified and do not perceive the the Group will incur any losses as result of the actions for damages.

At 31 December 2020, the Group has a total rental obligation of TDKK 13.116

At 31 December 2020, the Group has operating lease obligations relating to vehicles and other equipmentamounting to TDKK 17.541.

The Group has issued guarantees of TDKK 5.494 towards customers.

The Group has issued floating guarantees to credit insitution for a total of TDKK 225.623.

The Group has entered into finance leases which have been recognised in fixed assets and debtobligations.

The Group has provided shares in group entreprises with a carrying amout of TDKK 0 at 31 December 2020 as security for bank debt.

The Group has provided a guarantee for cash support to Allianceplus AB up to TDKK 12.000 if Allianceplus AB cannot pay debt to creditors according to the reconstruction terms.

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company’s liability.

Notes to the Financial Statements

23 Related parties

The Group is owned jointly by the following entities:

P-A17 A/S, Malmøgade 3, 1. København, Denmark
KIRK KAPITAL A/S, Havneøen 1, Vejle, Denmark

Transactions

Transactions with related parties has been carried out at arm's length terms.

24 Fee to auditors appointed at the general meeting

	Koncern		Moderselskab	
	2020	2019	2020	2019
	TDKK	TDKK	TDKK	TDKK
PricewaterhouseCoopers				
Audit fee	620	643	110	118
Tax advisory services	119	75	37	10
Andre ydelser	1.199	1.047	142	277
	1.938	**1.765**	**289**	**405**

Notes to the Financial Statements

25 Accounting Policies

The Annual Report of P-A2017 Holding 1 A/S for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

The accounting policies applied remain unchanged from last year.

The Consolidated and Parent Company Financial Statements for 2020 are presented in TDKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, P-A2017 Holding 1 A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income

Notes to the Financial Statements

25 Accounting Policies (continued)

and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Revenue

Information on business segments and geographical segments based on the Group´s risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

25 Accounting Policies (continued)

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Group.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Cost of sales

Cost of sales comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as the Group's administration, etc.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

The item “Income from investments in subsidiaries” in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Notes to the Financial Statements

25 Accounting Policies (continued)

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with Danish group companies. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 20 years.

Patents and licences are measured at the lower of cost less accumulated amortisation and recoverable amount. Patents are amortised over the remaining patent period, and licences are amortised over the licence period; however not exceeding 20 years.

Development costs and costs relating to rights developed by the Company are recognised in the income statement as costs in the year of acquisition.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are 3-5 years.

Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 13.800 are expensed in the year of acquisition.

Notes to the Financial Statements

25 Accounting Policies (continued)

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item"Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Other fixed asset investments

Other fixed asset investments consist of other receivables.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Notes to the Financial Statements

25 Accounting Policies (continued)

Contract work in progress

Contract work in progress is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Group has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

25 Accounting Policies (continued)

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Cash Flow Statement

The cash flow statement shows the Group´s cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group´s cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible as-

Notes to the Financial Statements

25 Accounting Policies (continued)

sets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise ”Cash at bank and in hand”.

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

Profit margin	$\frac{\text{Profit before financials x 100}}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit before financials x 100}}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end x 100}}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$